

	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Trustee/ Ben Payments</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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**Description:** The Medicaid program was established to provide aid for persons whose income and resources are insufficient to meet the costs of necessary medical or remedial care. This program was established as a separate division in FY 1997.

### FY 2003 Original Appropriation

3.00 FY 2003 Original Appropriation: SB 1490; HB 676

General	95.02	4,869,100	6,644,900	0	228,785,400	0	240,299,400
Dedicated	0.00	0	0	0	641,700	50,000	691,700
Federal	100.67	7,127,400	18,147,900	0	565,370,800	0	590,646,100
Other	0.00	0	0	0	26,169,300	0	26,169,300
<b>Total</b>	<b>195.69</b>	<b>11,996,500</b>	<b>24,792,800</b>	<b>0</b>	<b>820,967,200</b>	<b>50,000</b>	<b>857,806,500</b>

### Appropriation Adjustments

4.11 Reappropriation

Other	0.00	0	10,000	55,100	9,572,400	0	9,637,500
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>10,000</b>	<b>55,100</b>	<b>9,572,400</b>	<b>0</b>	<b>9,637,500</b>

4.43 Negative Supplemental: The General Fund holdback, as directed by Executive Orders 2002-08 and 2002-09, is incorporated as a negative supplemental appropriation for FY 2003.

General	6.00	150,400	37,800	0	(2,869,000)	0	(2,680,800)
Federal	18.00	451,200	113,400	0	(6,889,900)	0	(6,325,300)
<b>Total</b>	<b>24.00</b>	<b>601,600</b>	<b>151,200</b>	<b>0</b>	<b>(9,758,900)</b>	<b>0</b>	<b>(9,006,100)</b>

### FY 2003 Total Appropriation

General	101.02	5,019,500	6,682,700	0	225,916,400	0	237,618,600
Dedicated	0.00	0	0	0	641,700	50,000	691,700
Federal	118.67	7,578,600	18,261,300	0	558,480,900	0	584,320,800
Other	0.00	0	10,000	55,100	35,741,700	0	35,806,800
<b>Total</b>	<b>219.69</b>	<b>12,598,100</b>	<b>24,954,000</b>	<b>55,100</b>	<b>820,780,700</b>	<b>50,000</b>	<b>858,437,900</b>

### Expenditure Adjustments

6.11 Lump Sum Allocation

Dedicated	0.00	0	0	0	50,000	(50,000)	0
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>(50,000)</b>	<b>0</b>

6.51 Transfer Between Programs: Transfer to Indirect Support Services to support integrated Information and Technology Services Division and Health Insurance Portability and Privatization Act (HIPPA) functions.

General	(3.00)	(85,400)	(671,200)	0	0	0	(756,600)
<b>Total</b>	<b>(3.00)</b>	<b>(85,400)</b>	<b>(671,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(756,600)</b>

6.52 Transfer Between Programs: Transfer to Indirect Support Services to support integrated administrative rules functions.

General	(1.25)	(36,200)	0	0	0	0	(36,200)
<b>Total</b>	<b>(1.25)</b>	<b>(36,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(36,200)</b>

6.53 Transfer Between Programs: Transfer to Indirect Support Services to support integrated accounting and payroll functions.

General	(0.88)	(20,300)	0	0	0	0	(20,300)
<b>Total</b>	<b>(0.88)</b>	<b>(20,300)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(20,300)</b>

Health & Welfare, Department of  
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	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Trustee/ Ben Payments</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
6.54 Transfer Between Programs: Transfer from Division of Welfare, TAFI/AABD Benefit Payments.							
General	0.00	0	0	0	101,900	0	101,900
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101,900</b>	<b>0</b>	<b>101,900</b>

6.91 Other Adjustments: The additional receipts will bring spending authority in line with anticipated ongoing collection levels. The adjustment to ongoing federal funds is for match adjustments, particularly the operating adjustment for the transfer of HIPAA federal funds to Indirect Support. The adjustment to one-time federal funds reflects federal funds to match the carryover funds in DU 4.11. The FTP adjustments in this decision unit are to bring the FTP in line with the funding breakout and with the Department distribution of FTP authority.

General	(23.26)	0	0	0	0	0	0
Federal	42.26	312,700	(6,030,800)	53,300	(290,500)	0	(5,955,300)
Other	0.00	0	0	0	21,907,900	0	21,907,900
<b>Total</b>	<b>19.00</b>	<b>312,700</b>	<b>(6,030,800)</b>	<b>53,300</b>	<b>21,617,400</b>	<b>0</b>	<b>15,952,600</b>

**FY 2003 Estimated Expenditures**

General	72.63	4,877,600	6,011,500	0	226,018,300	0	236,907,400
Dedicated	0.00	0	0	0	691,700	0	691,700
Federal	160.93	7,891,300	12,230,500	53,300	558,190,400	0	578,365,500
Other	0.00	0	10,000	55,100	57,649,600	0	57,714,700
<b>Total</b>	<b>233.56</b>	<b>12,768,900</b>	<b>18,252,000</b>	<b>108,400</b>	<b>842,550,000</b>	<b>0</b>	<b>873,679,300</b>

**Base Adjustments**

8.13 FTP or Fund Adjustments: Negative supplemental appropriations recommended in decision unit 4.43 are restored. This allows agencies to reconcile FY 2003 temporary reductions with permanent reductions to base spending authority for FY 2004.

General	(6.00)	(150,400)	(37,800)	0	2,869,000	0	2,680,800
Federal	(18.00)	(451,200)	(113,400)	0	6,889,900	0	6,325,300
<b>Total</b>	<b>(24.00)</b>	<b>(601,600)</b>	<b>(151,200)</b>	<b>0</b>	<b>9,758,900</b>	<b>0</b>	<b>9,006,100</b>

8.31 Transfer Between Programs: Department-wide office space reallocation.

General	0.00	0	40,200	0	0	0	40,200
Federal	0.00	0	43,600	0	0	0	43,600
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>83,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>83,800</b>

8.32 Transfer Between Programs: The Department is responding to an audit finding in the FY 2001 audit. Receipts at State Hospital South (SHS) were considered as expense in the Medicaid Program. As a means of eliminating the expenditure/receipt, the Department will transfer state and federal funds from the Medicaid Program to SHS. The amount of the transfer will equal the receipt amount at SHS. This decision unit will not increase or decrease either program. The decision unit will change the funding structure at SHS and it will reduce the amount of budget in Medicaid because Medicaid will no longer generate a warrant to SHS.

General	0.00	0	0	0	(1,717,400)	0	(1,717,400)
Federal	0.00	0	0	0	(4,199,400)	0	(4,199,400)
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,916,800)</b>	<b>0</b>	<b>(5,916,800)</b>

8.41 Removal of One-Time Expenditures

Dedicated	0.00	0	0	0	(50,000)	0	(50,000)
Federal	0.00	0	(10,000)	(53,300)	0	0	(63,300)
Other	0.00	0	(10,000)	(55,100)	(9,572,400)	0	(9,637,500)
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>(20,000)</b>	<b>(108,400)</b>	<b>(9,622,400)</b>	<b>0</b>	<b>(9,750,800)</b>

	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Trustee/ Ben Payments</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
8.53 Base Reduction: Permanent reductions in agency base budgets are made to accommodate limited General Fund revenue for fiscal year 2004. Reductions will be accommodated through program consolidations, expenditure management, and other program changes that realign funding availability with program requirements.							
General	6.00	150,400	37,800	0	(2,869,000)	0	(2,680,800)
Federal	18.00	451,200	113,400	0	(6,889,900)	0	(6,325,300)
<b>Total</b>	<b>24.00</b>	<b>601,600</b>	<b>151,200</b>	<b>0</b>	<b>(9,758,900)</b>	<b>0</b>	<b>(9,006,100)</b>
<b>FY 2004 Base</b>							
General	72.63	4,877,600	6,051,700	0	224,300,900	0	235,230,200
Dedicated	0.00	0	0	0	641,700	0	641,700
Federal	160.93	7,891,300	12,264,100	0	553,991,000	0	574,146,400
Other	0.00	0	0	0	48,077,200	0	48,077,200
<b>Total</b>	<b>233.56</b>	<b>12,768,900</b>	<b>18,315,800</b>	<b>0</b>	<b>827,010,800</b>	<b>0</b>	<b>858,095,500</b>
<b>Program Maintenance</b>							
10.11 Change in Benefit Costs: Changes in benefit costs reflect the increased cost of health insurance and reduced costs of unemployment insurance and Division of Human Resources fees.							
General	0.00	60,700	0	0	0	0	60,700
Federal	0.00	95,600	0	0	0	0	95,600
<b>Total</b>	<b>0.00</b>	<b>156,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>156,300</b>
10.13 Employee Benefit Costs: The Governor recommends funding to be applied to the employee portion of health and dental insurance cost increases. The employer share of the increase is addressed in decision unit 10.11.							
General	0.00	9,100	0	0	0	0	9,100
Federal	0.00	20,100	0	0	0	0	20,100
<b>Total</b>	<b>0.00</b>	<b>29,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,200</b>
10.21 General Inflation: The Governor recommends no increase for inflation.							
General	0.00	0	0	0	0	0	0
Federal	0.00	0	0	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10.22 Medical Inflation: The Governor recommends a 3% increase for medical inflation. The trend in Medicaid eligible recipients has shown a steady increase. The average monthly caseload in FY 2002 was approximately 141,954 compared with the average monthly caseload in FY 2003 projected to be 151,512. This represents about a 6.7% increase in the average number of eligible recipients per month. There has been a corresponding increase in spending. The average weekly benefit payroll, adjusted for one-time payments for Upper Payment Limit, and Disproportionate Share Hospitals, increased by \$1,376,300 for the first quarter of FY 2003. The increase in the number of eligible recipients has resulted in increased expenditures on benefits, which cannot be covered by standard inflation amounts.							
General	0.00	0	0	0	7,136,000	0	7,136,000
Federal	0.00	0	0	0	17,449,700	0	17,449,700
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,585,700</b>	<b>0</b>	<b>24,585,700</b>
10.23 Inflationary Adjustments: Children's Health Insurance Program (CHIP) medical inflation.							
General	0.00	0	0	0	105,200	0	105,200
Federal	0.00	0	0	0	412,300	0	412,300
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>517,500</b>	<b>0</b>	<b>517,500</b>

Health & Welfare, Department of  
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	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Trustee/ Ben Payments</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
10.31 Replacement Items: Provide funding to replace six vehicles.							
General	0.00	0	0	70,100	0	0	70,100
Federal	0.00	0	0	64,700	0	0	64,700
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>134,800</b>	<b>0</b>	<b>0</b>	<b>134,800</b>
10.32 Replacement Items: Provide funding to replace existing desktop computers on a three year cycle (13 computers) and replace 4 monitors.							
General	0.00	0	0	7,400	0	0	7,400
Federal	0.00	0	0	7,300	0	0	7,300
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>14,700</b>	<b>0</b>	<b>0</b>	<b>14,700</b>
10.33 Replacement Items: Provide funding to replace five monitors, one laptop computer, one shredder, two fax machines, two network printers, one office chair, and memory update for current computers.							
General	0.00	0	0	5,400	0	0	5,400
Federal	0.00	0	0	5,300	0	0	5,300
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>10,700</b>	<b>0</b>	<b>0</b>	<b>10,700</b>
10.44 Building Services Space Charge: The Governor recommends no adjustment to building space charges for state agencies.							
General	0.00	0	0	0	0	0	0
Federal	0.00	0	0	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10.45 Risk Management Cost Increase: The Office of Insurance Management reports adjustments to various cost categories based on agency claims patterns.							
General	0.00	0	400	0	0	0	400
Federal	0.00	0	400	0	0	0	400
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>
10.61 Change In Employee Compensation: The Governor recommends compensation increases be funded with agency salary savings wherever possible.							
General	0.00	0	0	0	0	0	0
Federal	0.00	0	0	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10.62 Group and Temporary: The Governor recommends compensation increases be funded with agency salary savings wherever possible.							
General	0.00	0	0	0	0	0	0
Federal	0.00	0	0	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10.71 External Nonstandard Adjustment: Provide funding for non-state office space rent increase.							
General	0.00	0	75,700	0	0	0	75,700
Federal	0.00	0	82,000	0	0	0	82,000
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>157,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>157,700</b>

	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Trustee/ Ben Payments</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
10.72 External Nonstandard Adjustment: The trend in Medicaid eligible recipients has shown a steady increase. The average monthly caseload in FY 2002 was approximately 141,954 compared with the average monthly caseload in FY 2003 projected to be 151,512. This represents about a 6.7% increase in the average number of eligible recipients per month. There has been a corresponding increase in spending. The average weekly benefit payroll, adjusted for one-time payments for Upper Payment Limit, and Disproportionate Share Hospitals, increased by \$1,376,300 for the first quarter of FY 2003. The increase in the number of eligible recipients has resulted in increased expenditures on benefits, which cannot be covered by standard inflation amounts.							
General	0.00	0	0	0	10,380,900	0	10,380,900
Dedicated	0.00	0	0	0	32,400	0	32,400
Federal	0.00	0	0	0	25,281,400	0	25,281,400
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,694,700</b>	<b>0</b>	<b>35,694,700</b>
10.73 External Nonstandard Adjustment: Additional inflationary increases for Children's Health Insurance Program.							
General	0.00	0	0	0	35,000	0	35,000
Federal	0.00	0	0	0	137,400	0	137,400
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>172,400</b>	<b>0</b>	<b>172,400</b>
10.91 Fund Shifts: FMAP rate change from 70.96% federal match to 70.46%.							
General	0.00	0	0	0	2,957,300	0	2,957,300
Federal	0.00	0	0	0	(2,957,300)	0	(2,957,300)
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10.92 Fund Shifts: Children's Health Insurance Program (CHIP) rate change from 79.67% federal match to 79.32%.							
General	0.00	0	0	0	51,000	0	51,000
Federal	0.00	0	0	0	(51,000)	0	(51,000)
<b>Total</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2004 Total Maintenance</b>							
General	72.63	4,947,400	6,127,800	82,900	244,966,300	0	256,124,400
Dedicated	0.00	0	0	0	674,100	0	674,100
Federal	160.93	8,007,000	12,346,500	77,300	594,263,500	0	614,694,300
Other	0.00	0	0	0	48,077,200	0	48,077,200
<b>Total</b>	<b>233.56</b>	<b>12,954,400</b>	<b>18,474,300</b>	<b>160,200</b>	<b>887,981,100</b>	<b>0</b>	<b>919,570,000</b>
<b>FY 2004 Gov's Recommendation</b>							
General	72.63	4,947,400	6,127,800	82,900	244,966,300	0	256,124,400
Dedicated	0.00	0	0	0	674,100	0	674,100
Federal	160.93	8,007,000	12,346,500	77,300	594,263,500	0	614,694,300
Other	0.00	0	0	0	48,077,200	0	48,077,200
<b>Total</b>	<b>233.56</b>	<b>12,954,400</b>	<b>18,474,300</b>	<b>160,200</b>	<b>887,981,100</b>	<b>0</b>	<b>919,570,000</b>